

## EDI vs. Bots: Optimize Claim Status and Avoid Legal or Security Concerns

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Health care Providers continue to look for innovative and effective ways to accelerate the payment of claims. Faster reimbursement times improve critical revenue flow and avoid costly remediation.

Third Party Payers (TPP) control reimbursement and Providers must proactively and diligently monitor their claims to quickly determine status changes. Knowing when claims are being denied or otherwise reimbursed below contracted amounts is critical to revenue management. However, every Provider knows this is no easy feat. The frictional and sometimes capricious processing of claims by TPPs places a heavy burden on Providers to pursue their contracted reimbursement. TPPs can take weeks or months to notify Providers of claim status changes that can negatively impact reimbursement.

**Claim Status Automation** is playing a key role in helping to address this challenge. Two common types of claims status automation are Electronic Data Interchange (EDI) and BOTS (an acronym for Robots) or “Screen Scrapers.” EDI involves sending/receiving claim status inquiries in an ANSI compliant industry standard format. BOTS involve computer simulated Provider user(s) accessing TPP claims websites for claims statuses.

Initially, EDI claim status data was not as comprehensive as what could be gleaned directly from TPP websites. Consequently, Providers have been using mostly BOT systems in past years. However, EDI transaction data is now comparable to that present on TPP websites. The following are reasons to use EDI vs. BOT for claim statusing:

- CMS (Medicare) and some other governmental Payers have recently prohibited use of BOTs to access their systems. Providers that don't follow these rules or fail to develop compliant protocols, could face serious consequences, particularly with CMS.
- BOTs work by simulating Provider end-users accessing TPP websites, and must create many “users” to access each individual TPP system. Most TPPs require that each individual Provider employee accessing its system be registered. This often requires that the Provider register many “surrogate” users that are not themselves logging into the TPP system, and presents very serious HIPAA and compliance issues.
- BOTs interact with TPPs via the Internet and present serious security concerns, including “hacking” that can expose/exploit vulnerabilities in both Provider and TPP systems. 2016 was a record year for breaches in healthcare systems, particularly hospitals, netting criminals in excess of 13 million records.
- Screen Scraping websites using BOTs are not nearly as efficient as EDI. Typically, Payer codes are often incomplete or contain a mix of other code data which many BOTs cannot handle programmatically. Additionally, BOTs rely on static TPP website pages from which to “scrape” claim status information. Unfortunately, TPP websites have no consideration for BOTs and change frequently. This “breaks” the BOTs and delays claim statusing.
- BOTs require enormous amounts of computing resources for both Providers/Vendors and TPPs. In contrast, ANSI compliant EDI processing requires significantly less overhead and maintenance while yielding the same or better claim status responses.